

ORIGINAL

FORESE PROPOSED AMENDMENT NO. 1



TIME/DATE PREPARED: November 16, 2015

COMPANY: Arizona Public Service Company

AGENDA ITEM NO. 18

DOCKET NO(S). E-01345A-15-0095

OPEN MEETING DATE: November 17 & 18, 2015

Schools Energy Efficiency (EE) Pilot Program

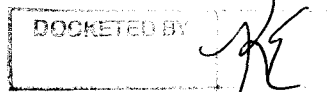
The purpose of this amendment is to require APS to implement a Schools Energy Efficiency Pilot Program in 2016 and 2017 that will make cost-effective energy efficiency projects more affordable for schools.

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In order to better serve schools that cannot raise the necessary capital to participate in the current APS Schools Program, APS shall develop and implement a Schools EE Pilot Program within 90 days of the effective date of this order. This Pilot Program is meant to supplement the current Schools Program and not meant to replace it.

The Schools EE Pilot Program will have a total budget of \$2 million over the two calendar years 2016 and 2017. This budget will come from DSMAC funds already collected, but currently unallocated, in the DSMAC balancing account.

Schools eligible to participate in the Schools EE Pilot Program will be determined based on the following criteria: 1) School must be in APS service territory; 2) School must be either a public or charter school for grades K-12; 3) School must demonstrate an inability to raise capital to fund the cost of the projects themselves; 4) School must have a significant opportunity for energy savings from energy efficiency retrofits. Priority will be given to schools that have not done any recent energy efficiency retrofits and have not received rebates from the existing Schools Program during the past 3 years; and 5) School must have the ability to ensure a conducive partnership with APS for data and information gathering concerning the energy efficiency project.

APS shall identify and contact potentially eligible schools and subsequently confirm interested eligible schools. If the number of interested and eligible schools exceeds the estimated budget, APS shall conduct a lottery to select participating schools. Within 60 days following school selection, APS shall file a summary of the schools identification, confirmation, lottery and selection process and results.

To address these schools' inability to fund a portion of the cost of the energy efficiency project, APS will pay a customer rebate to the eligible schools for cost-effective measures installed that will cover 100% of the cost of the project. Individual public school districts or charter school organizations will not be allowed to receive a rebate of more than \$500,000 from these pilot program funds.

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Energy savings from this pilot program will be subject to the same measurement, evaluation, and research (MER) requirements that are being applied to the current Schools Program. All MER verified energy savings from this pilot program will be allowed to be counted toward the Arizona Energy Efficiency Standard currently in effect for APS.

Verified energy savings from this pilot program shall receive LFCR treatment consistent with the Plan of Administration and the Performance Incentive shall be calculated consistent with currently approved APS energy efficiency implementation plans.

Energy and demand savings, spending, program cost per kWh saved, and customer participation for this pilot program shall be reported by APS in the Annual Progress Report filed by March 1 of each year containing program results for the previous year.

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IT IS FURTHER ORDERED that Arizona Public Service Company shall implement the Schools EE Pilot Program, as described herein, within 90 days of the approval of this order.

PLEASE MAKE ALL CONFORMING CHANGES.

THIS AMENDMENT:

_____ Passed _____ Passed as amended by _____

_____ Failed

_____ Not Offered

_____ Withdrawn